For UK investors only

BLACKFINCH
ASSET MANAGEMENT

Signatory of:
PRI Principles for Responsible Investment

IFSL Blackfinch NextGen Property Securities Fund Factsheet

June 2024

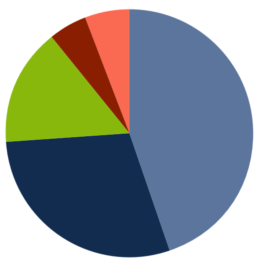
The aim of the Fund is to increase the value of an investment over a minimum of 5 years. The Fund will do this through a combination of capital growth, which is profit on investments held, and income received by the Fund, which is money paid out of investments, such as dividends and interest.

Performance

Due to the fund having an inception date less than 12 months ago, we are unable to provide an Investment Growth chart or table of the IFSL Blackfinch NextGen Property Securities Fund versus its peer group benchmark. - *Past performance is no guarantee of future performance.*

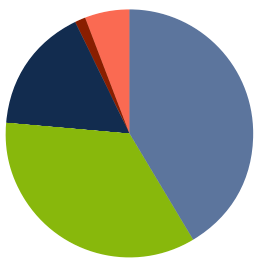
Thematic Allocation (as at 30/06/2024)

Digitalisation	44.96%
Sustainable Urbanisation	28.99%
Ageing Demographics	15.48%
Emerging Middle Classes	4.97%
Cash & Equivalent	5.59%



Regional Allocation[1] (as at 30/06/2024)

North America	41.59%
Europe	34.89%
Asia Pacific	16.51%
Latin America	1.41%
Cash & Equivalent	5.59%



Date of inception: 24/11/2023.
[1]Based on the country of domicile.
IFSL Blackfinch OEIC Sub-Funds performance figures are quoted net of AMC and fund OCFs.

Investment Fund Services Limited (IFSL) acts as the Fund's Authorised Corporate Director (ACD). The Key Investor Information Documents and the Prospectuses forall funds are available, in English, free of charge and can be obtained directly using the contact details in the Sales Contact section. They can also be downloaded from www.ifslfunds.com.

Investment Commentary

In June, the IFSL Blackfinch NextGen Property Securities Fund (B Accumulation share class) returned 0.00% after all fees and expenses. This compares to the IA Property Other Sector average return of -0.46%. Since inception, the Fund has returned +7.40% compared to the IA Property Other Sector average return of +4.81% over the same period. Please note that comparisons to peers are only useful over extended periods and, as the Fund employs a thematic growth-orientated total return approach that is deliberately different to its peers, results are not expected to align with peer group sector averages.

June began with the start of a broadly anticipated global easing cycle with interest rate cuts in both Canada and the Eurozone. The US Federal Reserve (Fed) held rates steady and acknowledged that modest progress had been made against inflation, but that it still did not have enough economic support to lower interest rates. Similarly, persistent services sector inflation dashed hopes of a June rate cut in the UK, despite the Bank of England (BoE) signalling it could have been an option. However, the BoE did leave open the possibility of a move in August. The outcome of the European parliamentary elections caused President Macron to announce a snap election in France. Concerns about the possible outcome introduced significant volatility across European listed equities, including Real Estate Investment Trusts (REITs).

During June, the Fund outperformed peer group averages but produced mixed overall returns, as gains in the North American and Asia Pacific allocations were largely offset by significant losses across European REITs, particularly towards the second half of the month post the European parliamentary elections. Overall, during Q2 2024, and notwithstanding ongoing macroeconomic challenges, the Fund increased its outperformance over peer group averages and broader REIT indices due to a combination of its stock selection and regional and sub-sector positioning.

As at 28 June, the Fund held 41 individual holdings and was well diversified across its underlying themes, sectors and geography. The only theme to positively contribute to performance was Digitalisation (estimated gross total returns: Digitalisation +1.5%, Sustainable Urbanisation -0.8%, Ageing Demographics -1.3% and Emerging Middle Classes -5.3%). At the individual security level, the top three contributors were CRE Japan, Macquarie Technology Group and LXP Industrial Trust. The top three detractors were Carmila, Safestore, and Shurgard Self Storage.

Global REITs have underperformed equities since the end of 2021, as increases in bond yields were a significant headwind, diminishing the relative attractiveness of REIT dividend yields and raising concerns over the value of underlying assets. Though past performance may not be indicative of future results, REITs have historically enjoyed a resurgence in total return performance after monetary policy tightening cycles end. We remain focused on real estate sectors that are expected to benefit from multi-year time horizon NextGen themes and are anticipated to grow dramatically on the back of supportive secular growth drivers such as increased data usage and the transformation of the logistics value chain.

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Top 10 Portfolio Holdings (as at 30/06/2024)

Equinix Inc	3.33%
Americold Realty Trust Inc	3.32%
StorageVault Canada Inc	3.28%
Ventas Inc	3.21%
Xior Student Housing NV	3.19%
Rexford Industrial Realty Inc	3.19%
Healthpeak Properties Inc	3.16%
Dream Industrial Real Estate	3.10%
LXP Industrial Trust	3.00%
First Industrial Realty Trust	2.81%

We invest with a **core focus** on the UN Global Compact Principles

Extensive due diligence across multiple factors to identify sound business fundamentals, accounting for the 10 UNGC principles, where possible

We take a forward-looking approach to investment selection using positive screening

We encourage 'engagement' with both 'leaders' and 'improvers' for positive outcomes

We're committed to transparency on our multi-factor screening process and reflect this in our investment approach

This Month's Activity

We participated in the annual REITWeek 2024 conference, where we attended multiple group meetings with REIT CEOs and CFOs. Key themes were: 1) a gradual revitalisation of the transaction market with bid-ask spreads improving; 2) development projects remain difficult to progress further until construction and financing costs regress; and 3) a general sense of optimism driven by stable-to-improving fundamentals across most property types.

Data centres were one of the favoured sectors given the backdrop of restricted new supply and unprecedented demand, which is being further propelled by the artificial intelligence (AI) thematic. AI is already a significant contributor to new leasing, which is absorbing up new space as quickly as it can be built, allowing data centre landlords to push rents well above forecasts from a year ago.

US senior housing operating (SHOP) properties are moving increasingly into favour as fundamentals have almost repetitively exceeded rising expectations over the past two years. Based on the latest operating trends (as the industry enters peak leasing season), 2024 guidance figures from just a few months ago already appear too low in our view, and 2025 is shaping up for potentially another year of accelerating growth.

Although industrial & logistics REITs are still generating some of the strongest earnings growth among REITs as expiring rents are adjusted to market, the current period of elevated supply and marginally increasing vacancy rates has been a headwind in 2024. Following the latest pullback, we believe much of the downside risk has been alleviated, and industrial & logistics REITs are well-positioned for a recovery during the rest of 2024 and 2025.

Portfolio Information

Class A Accumulation Share ISIN **GB00BQ2MY039**	Class A Management Fee **0.75%**	Class A Underlying fund charges **0.89%**
Class B Accumulation Share ISIN **GB00BQ2MY252**	Class B Management Fee **0.65%**	Class B Underlying fund charges **0.79%**
Estimated Annual Income Yield (Class B) **4.02%**		Number of holdings **41**

Sales Contact

For further information about the Fund, please contact
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Fund Managers

George Nikolaou, Lead Fund Manager and Dr Dan Appleby, CIO and Support Fund Manager are responsible for managing the IFSL Blackfinch NextGen Property Securities Fund. They bring expertise in the research of listed property, infrastructure and equity investment products, managing client portfolios and working closely with financial advisers and other professional clients. Each is a CFA® charterholder.